Virginia Supplemental Rebate Contracting Process – Phase III – July 2004

The Department of Medical Assistance Services (DMAS) will be implementing a Phase III of the Preferred Drug List (PDL) program as outlined in the 2003 Appropriations Act in July 2004. The Department has decided to seek Virginia specific contracts for pricing and supplemental rebates directly with manufacturers. Manufacturers are encouraged to provide supplemental rebate offers for consideration by the Commonwealth of Virginia.

The following therapeutic classes of drugs have been selected by the Pharmacy and Therapeutics Committee to discuss for PDL inclusion:

<u>During the January 6, 2004 Meeting:</u>
Carbonic Anhydrase Inhibitors - Ophth
Alpha 2 Adrenergics - Ophth
Beta-blockers – Ophth
Prostaglandin Inhibitors - Ophth

<u>During the February 9, 2004 Meeting:</u>
Narcotics: Long Acting
Antihyperkinesis (Meds For ADD/ADHD)
Macrolides - Adult (Antibiotics)
Macrolides - Pediatrics (Antibiotics)
2nd Generation Quinolones- Systemic (Antibiotics)
3rd Generation Quinolones - Systemic (Antibiotics)
2nd Generation Cephalosporins (Antibiotics)
3rd Generation Cephalosporins (Antibiotics)

The Department has set the following deadlines regarding Phase III:

Tuesday January 6, 2004: P&T Committee Meeting to review the 4 therapeutic classes for PDL eligibility for July 2004 implementation.

Monday, February 9th: P&T Committee Meeting to review the 7 therapeutic classes for PDL eligibility for July 2004 implementation.

Tuesday, February 10th: Information relating to the classes that the P&T Committee found PDL eligible will be posted to the DMAS website on February 10th. A comprehensive package with instructions will be sent electronically to manufacturers by First Health Services Corporation.

Friday, March 19th: Manufacturers' final supplemental rebate offers must be submitted to First Health Services by close of business. The Department expects to receive best and final offers by this date.

Week of April 19th: P&T Committee meeting to determine which drugs will require a prior authorization. This begins the final contracting period with the pharmaceutical companies.

Friday, May 14th: All manufacturer-executed supplemental rebate contracts must be received by First Health Services by close of business. Should the final contract not be received at this time, previous offers will be considered rescinded in conjunction with this activity.

Tuesday, June 1st: Final PDL posted on the DMAS website. This will be the official start date of all rebate contracts – i.e., when supplemental rebates begin to accrue.

Monday, July 5, 2004: Implement prior authorization requirement for drugs that were not selected to be on the PDL for this phase of drug classes.

If you have any questions, regarding the PDL process, please contact pdlinput@dmas.virginia.gov

All correspondence and inquiries regarding pricing and contracting should be directed to:

First Health Services Corporation
Attention: David Adams
Clinical Management Consultant
Rebate Contracting and Pricing
4300 Cox Road
Glen Allen, Virginia 23060
Phone: 804-965-7689
Email : adamsda@fhsc.com